

AMENDED IN ASSEMBLY SEPTEMBER 2, 2011

CALIFORNIA LEGISLATURE—2011–12 FIRST EXTRAORDINARY SESSION

**SENATE BILL**

**No. 13**

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**Introduced by Committee on Budget and Fiscal Review**

May 18, 2011

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~~An act relating to the Budget Act of 2010. An act to add Section 34194.05 to the Health and Safety Code, relating to redevelopment, and making an appropriation therefor, to take effect immediately, bill related to the budget.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 13, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2010.~~ *Alternative voluntary redevelopment program: application for relief.*

*Existing law suspends various activities of redevelopment agencies and prohibits the agencies from incurring indebtedness for a specified period. Existing law also dissolves redevelopment agencies and community development agencies, as of October 1, 2011, and designates successor agencies, as defined. Existing law exempts from dissolution a redevelopment agency of a community where the city or county that created the agency participates in an alternative voluntary redevelopment program, where, among other things, the city or county makes remittances for deposit in the Special District Allocation Fund, as prescribed. During the 2011–12 fiscal year, a city or county is authorized to appeal the remittance amount, as determined by the Director of Finance, on the basis that specified information used to calculate the remittance amount was in error.*

*This bill would authorize a city or county to file an application for relief in the amount of the remittance, on or before November 1, 2011,*

*on the basis that the amount of the remittance will place a significant and detrimental fiscal requirement on the city or county.*

*The bill would appropriate \$1,000 from the General Fund to the Department of Finance for the costs to comply with the bill.*

*The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.*

*This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.*

*This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

~~*This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2010.*~~

~~*The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010.*~~

~~*This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 6, 2010, pursuant to the California Constitution.*~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     *SECTION 1. Section 34194.05 is added to the Health and*
- 2     *Safety Code, to read:*
- 3     *34194.05. (a) After receiving the notification from the Director*
- 4     *of Finance of the amount of the remittance pursuant to*
- 5     *subparagraph (J), as adjusted by subparagraph (L), of paragraph*
- 6     *(2) of subdivision (b) of Section 34194, a city or county may file*
- 7     *an application for relief of the amount of the remittance, or an*
- 8     *extension of the payment schedule, or both, to the director on or*

1 before November 1, 2011, on the basis that the amount of the  
2 remittance will place a significant and detrimental fiscal  
3 requirement on the city or county. An appeal for relief shall include  
4 all of the following:

5 (1) Evidence that the estimated net tax increment, as defined in  
6 subparagraph (A) of paragraph (2) of subdivision (b) of Section  
7 34194, but with respect to the current fiscal year, together with  
8 any additional assets, moneys, funds, or other resources available  
9 to the redevelopment agency are less than the amount determined  
10 pursuant to subparagraph (J) of paragraph (2) of subdivision (b)  
11 of Section 34194, as adjusted by subparagraph (L) of that  
12 paragraph.

13 (2) A finding that the city or county does not have the necessary  
14 financial resources that, together with amounts available from the  
15 redevelopment agency that could be made available to the city or  
16 county under Section 34194.2, are insufficient, in whole or in part,  
17 to make the payment determined under subparagraph (J), as  
18 adjusted by subparagraph (L), of paragraph (2) of subdivision (b)  
19 of Section 34194, as indicated by various measures, including, but  
20 not limited, to the level of or recent changes in city or county  
21 revenues, existing fund balances, public employment or service  
22 levels, current credit rating or recent changes to this credit rating,  
23 and the existence of borrowable resources.

24 (3) A demonstration the city or county is experiencing economic  
25 distress substantially worse than other cities and counties in the  
26 region or state as evidenced by, but not limited to, levels or changes  
27 in unemployment, property values, household income, taxable  
28 sales, or vacancy rates.

29 (b) The director may request additional or clarifying information  
30 as needed in order to make a determination regarding the appeal.  
31 The director may reject the appeal or accept it in whole or in part  
32 and shall provide a statement of reasons in support of the decision.  
33 The director shall notify the city or county and the county  
34 auditor-controller of the decision by December 15, 2011.

35 SEC. 2. The Legislature finds and declares that Section  
36 34194.05 of the Health and Safety Code, as added by Section 1 of  
37 this act, implements, and is part of the appeals process established  
38 in, paragraph (2) of subdivision (b) of Section 34194 of the Health  
39 and Safety Code, as added by Chapter 6 of the First Extraordinary  
40 Session of the Statutes of 2011.

1     *SEC. 3. The sum of one thousand dollars (\$1,000) is hereby*  
2     *appropriated to the Department of Finance from the General Fund*  
3     *for administrative costs associated with this act.*

4     *SEC. 4. This act addresses the fiscal emergency declared by*  
5     *the Governor by proclamation on January 20, 2011, pursuant to*  
6     *subdivision (f) of Section 10 of Article IV of the California*  
7     *Constitution.*

8     *SEC. 5. This act is a bill providing for appropriations related*  
9     *to the Budget Bill within the meaning of subdivision (e) of Section*  
10    *12 of Article IV of the California Constitution, has been identified*  
11    *as related to the budget in the Budget Bill, and shall take effect*  
12    *immediately.*

13    ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
14    ~~changes relating to the Budget Act of 2010.~~

15    ~~SEC. 2. This act addresses the fiscal emergency declared by~~  
16    ~~the Governor by proclamation on December 6, 2010, pursuant to~~  
17    ~~subdivision (f) of Section 10 of Article IV of the California~~  
18    ~~Constitution.~~